

Q1/24 quarterly performance decreased compared to operating results in the same period of last year and compared to the previous quarter.

Revenue

Salee Colour Public Company Limited (“COLOR”) sales in the first quarter of 2024 was 255.26 Million THB, decrease from the same period of year 2023, which was 285.79 Million THB this is due to the general economic slowdown and high competition for masterbatch prices domestically, the previous quarter has seen the majority of the income came from the renewable energy company. Consequently, overall revenue declined in comparison to the preceding year.

Gross Profit and Margin

Q1’24 gross profit margin was 45.83 Million THB, increased 39.64 Million THB from the same period of year 2023 due to changes in the prices of the company’s primary raw materials, the gross profit margin for the first quarter of 2024 grew to 17.95% from 13.87% during the same period of year 2023.

Operating profit

Q1’24 operating profit recorded at 5.34 Million THB, which decrease to 228% compared to the same period of last year of 2023, this is due to improved operational outcome as a consequence of each business group’s management of sales and administrative costs within the allocated budget. It showed the highest level of efficiency is at (4.16) Million THB from the same period of year 2023.

Net profit and margin

Q1’24 net profit was 0.31 Million THB, increased by 106% from the same period of last year, which was -5.26 Million THB. Due to the impact of the increase in gross

Stock Information

| | |
|--------------------------|--------------------|
| Share price (13/05/2024) | THB 1.33 |
| No. of shares: | THB 647,861,080 |
| Par value: | THB 1.00 |
| Market Cap. | Million THB 939.40 |

Business Overview

Salee Colour Public Company Limited was established on 13th of August 2003 the Company’s objective is to operate the business in manufacturing and distributing colored plastic resin and high concentration color or masterbatch, including colored plastic resin and instant additive, compounds, and dry colorants to entrepreneurs of plastics processing products, namely: plastic bags, consumer and cosmetics packages, and other plastic components like furniture or electrical goods, etc.

For more than two decades, the company has steadily increased its production capacity and establish new businesses with that emphasized in innovation, as well as to promote ESG concepts, such as innovations to aid the agricultural sector THE BUBBLES company was formed to operate an alternative energy business, and SUBTERRA company was formed to produce and distribute underground sewer equipment. Power and communication cables are installed underground.

profit and tax expenses. The company’s net profit margin was 0.001% increase from the same period of last year which was -1.84%

Cash flow and ND/E

Due to tight inventory control, and capital efficiency gains, Q1’24 cash flow from operating activities has a positive impact income as operating assets and liabilities were lower than the same period of last year. Due to strid control

inventory management and optimizing Net Working Capital, the Company's net debt to equity ratio in the first quarter of 2024 was 0.72 times.

Financial Statements Analysis:

| Unit: THB mn | Q1/24 | Q1/23 | YoY | Q4/23 | QoQ |
|--------------|----------|----------|------|----------|-------|
| Sales | 255.26 | 285.79 | -11% | 315.90 | -19% |
| COGS | (209.43) | (246.15) | -15% | (263.19) | -20% |
| GP | 45.83 | 39.64 | 16% | 52.71 | -13% |
| Other income | 2.16 | 1.70 | 27% | 1.02 | 112% |
| SG&A | (42.65) | (45.50) | -6% | (41.23) | 3% |
| EBIT | 5.34 | (4.16) | 228% | 12.30 | -57% |
| Finance cost | (3.73) | (2.34) | 59% | (3.54) | 5% |
| EBT | 1.61 | (6.51) | 125% | 8.76 | -82% |
| Tax | (1.91) | 1.25 | 253% | (1.19) | 61% |
| Net income | (0.31) | (5.26) | 94% | 7.57 | -104% |
| EPS | (0.0004) | (0.0096) | | | |
| GPM | 17.95% | 13.87% | | 16.68% | |
| %SG&A/Sales | 16.7% | 15.92% | | 13.05% | |
| NPM | -0.12% | -1.84% | | 2.4% | |

Sales

Sale in Q1'24 the company reported sales of 255.26 Million THB, which is 11% decrease on the same period of last year. Alternative sales business increased on the same period of last year.

- **Masterbatch Business** sales in 2024 were 247.93 Million THB, decrease to 3.5% compared to the same period of last year 2023, was which 257.06 Million THB, this was due to a drop in commodity demands, notably for contract manufacturing products.
- **Alternative Business** sales in 2024 totalled 7.3 Million THB, decreased compared to the same period of last year which was 75% at 28.73 Million THB, due to revenue is recorded based on the work's completion status. The prior quarter saw most of the revenue realized.

Gross profit and gross profit margin (GPM)

Q1'24 gross profit was 45.83 Million THB, which increase to 16% from the same period of last year 2023 at 39.64 Million THB, GPM increase to 17.95% vs. 13.87% in 2023, due to energy expenses are decreased when solar cells are installed. Finding substitute raw materials reduced the cost of producing alternative energy, including the primary raw materials required in the creation of masterbatch. Increasing gross profit margins as a result

Selling and Administrative Expenses

Q1'24 SG&A expenses decrease by 2.85 Million THB, or 6% comparing to the same period of last year 2023. This is from the policy-compliant management of selling and administrative expenses and the most efficient in terms of overall sales.

Financial Position Analysis:

As of March 31, 2024, the total assets were at 1.40 billion THB, decrease by 1.34% from 1.42 billion THB, at the end of the year. This was mostly due to a decline in cash and cash equivalents was the primary cause and from the foreign currency sales made during the baht depreciation.

Total liabilities decreased by 2.98% amount to 586 Million THB in 2024, from 605 Million THB at the end of 2023, due to an increased in bank overdrafts and short-term loans from financial institutions. Long-term loans from financial institutions liabilities under lease agreements some of them increased from trade creditors, other creditors, and liabilities arising from contracts.

Total shareholders' equity at 817 Million THB, close to 818 Million THB at the end of 2023, as the performance of the past quarter was still slow.

Cash Flow analysis:

Q1'24 net cash provided by operational activities was 56 Million THB, the cash flow before change in operating assets and liabilities which was more than 26 Million THB in 2024, owing mostly to rise in net working capital. However, in 2024, the free cash flow improved drastically because of strict inventory management control and networking capital efficiency methods.

Net cash used in investing operations amount to 21 Million THB, increase from 7 Million THB in the same period of the last year 2023, due to investment in buildings and equipment.

Q1'24 the Company recorded net cash used from financing activities of 76 Million THB, an increase of 38 Million THB from the same period of the last year, the cash received net due to short-term loans amount to 78 Million THB and cash repayments for long-term loans from financial institutions amount to 26 Million THB were received.

Cash and cash equivalents increased by net sum of 39 Million THB in Q1'24, resulting in cash and cash equivalents of 15 Million THB, at the end of 2024.

Financial ratio highlights:

| | Q1/24 | Q1/23 |
|-------------------------|----------|----------|
| Gross Profit Margin (%) | 17.95 | 13.87 |
| Net Profit Margin (%) | -0.12 | -1.84 |
| D/E | 0.72 | 0.69 |
| current ratio | 0.99 | 1.29 |
| ROA (%) | (0.09) | (1.50) |
| ROE (%) | (0.15) | (2.53) |
| EPS | (0.0004) | (0.0096) |

Q1'24 Profitability ratios increased YoY, with GP at 17.95% (vs.13.87% in 2023), NPM at -0.12% (vs. -1.84% in 2023), ROA at -0.09% (vs. -1.50% in 2023), ROE at 0.15% (vs. 2.53% in 2023), and EPS at -0.0004 (vs. -0.0096 in 2023) This is due to reduction in

production volume caused by a slowdown demands for the masterbatch industry. Renewable energy business with some project revenue being recognized in 2023.

The debt-to-equity ratio in Q1'24 was 0.72 times, a slight increase from 0.69 times from the same period of last year 2023 and the working capital ratio in 2024 was 0.99 times, decrease from 1.29 times from the same period of last year. The company has liquidity and financial stability within the criteria.

Sustainability

Guidelines for the organization's sustainable development for 2024 are implemented in compliance with the policy. Corporate planning, as well as the monitoring of quarterly performance reports, involve increasing the degree of information sharing in compliance with relevant industry standards.

- **Environmental** aspect Using the 4C strategies listed here, finish the organization's CFO with 3 scopes.

Environmental management using the 4C approach.

C1 – Clean Energy

Committed to sustainable energy and effective energy administration.

C2 – Create Green

Committed to making investments in ecologically friendly and clean enterprises that provide a healthy environment for the community and society.

C3 – Circular Economy and Waste Management

Waste management according to the circular economy theory.

C4 – Carbon Offsetting

Develop projects or activities to further reduce greenhouse gas emissions.

- **Social** aspect a stronger focus on human rights initiatives.
- **Governance** Transparency conduct business with the goal of elevating the company to a high standard.

Key risk factors

1. Economic downturn as a result, domestic demand from consumer goods is expected to decrease, which influenced the company's products demand.
2. Order delays and lower customer inventories to determine the economy's trend direction.
3. Sustainability and environmental risk factor for the corporate sector which must adjust to the new legislation and strictly abide by them.